

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 45A Florida KidCare Program
SPONSOR(S): Hasner
TIED BILLS: **IDEN./SIM. BILLS:** 28A

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR |
|---|--------|---------|----------------|
| 1) Health Care Appropriations Committee | | Speir | Massengale |
| 2) Fiscal Council | | | |
| 3) | | | |
| 4) | | | |
| 5) | | | |

SUMMARY ANALYSIS

House Bill changes current law related to verifying family income for the purpose determining program eligibility from three documents to written documentation, which must include a copy of the applicant's most recent federal income tax return. In the absence of a federal income tax return, an applicant may submit wages and earnings statements (pay stubs), W-2 forms, or other appropriate documents. Administrators of the Florida KidCare program will determine which documents are necessary to prove family income in the absence of a federal income tax return.

The KidCare appropriation for Fiscal Year 2004-05 provides sufficient funding to maintain enrollees who would have otherwise been terminated from the program because of insufficient documentation.

The bill is effective upon becoming law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

NOTE: The Speaker of the House has adopted new House Principles to guide members in evaluating legislation during the 2002-2004 Legislature. These principles are:

Provide limited government,
Ensure lower taxes,
Safeguard individual liberty,
Promote personal responsibility,
Empower families, and
Maintain public security.

The following factors about the bill are relevant to analyzing its compatibility with such principles: This bill changes the documentation requirement from three documents to written documentation, which must include a copy of the applicant's most recent federal income tax return. In the absence of a federal income tax return, an applicant may submit wages and earnings statements (pay stubs), W-2 forms, or other appropriate documents. Administrators of the Florida KidCare program will determine which documents are necessary to prove family income for determining program eligibility in the absence of a federal income tax return.

B. EFFECT OF PROPOSED CHANGES:

The 1998 Florida Legislature authorized implementation of the Florida KidCare Program (KidCare). The KidCare application and redetermination process had applicants self-attest their income and presumed eligibility without written income verification.

The 2004 Legislature eliminated presumptive eligibility in Senate Bill 2000, which passed on March 5, 2004. Senate Bill 2000 required parents to provide written documentation to prove the family's income without identifying what the written documentation should be.

As part of House Bill 1843 (a conforming bill for the Fiscal Year 2004-05 General Appropriations Act), however, the Legislature specified what documents were required as proof of family income for KidCare eligibility. These changes, which became effective July 1, 2004, require families to provide copies of any federal income tax return for the prior year, any wages and earnings statement (W-2), and any other appropriate document when applying for KidCare. This also pertains to their children's eligibility redetermination every 12 months thereafter.

The Florida Healthy Kids Corporation, the KidCare eligibility administrator for non-Medicaid children, reported to the Senate Committee on Health Care on December 1, 2004, that a large number of families have trouble with the new redetermination process. Most families are including at least one document with their redetermination paperwork, but not all the required documents. Because of

varying family circumstances, multiple documents of income verification may be difficult to obtain. Requiring this many documents is redundant if income can be verified by a single document.

House Bill would change the documentation requirement from three documents to written documentation, which must include a copy of the applicant's most recent federal income tax return. In the absence of a federal income tax return, an applicant may submit wages and earnings statements (pay stubs), W-2 forms, or other appropriate documents. Administrators of the Florida KidCare program will determine which documents are necessary to prove family income for determining program eligibility in the absence of a federal income tax return.

C. SECTION DIRECTORY:

Section 1. Amends s. 409.814(8)(a), F.S., regarding written documentation for the purpose of program eligibility, which must include a copy of the applicant's most recent federal income tax return. In the absence of a federal income tax return, applicants may submit wages and earnings statements (pay stubs) or W-2 forms, or other appropriate documents.

Section 2. Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

By eliminating the requirement for multiple documents when a single document is sufficient to provide proof of family income, the Healthy Kids Corporation indicated that there may be a postage savings up to \$40,000. The savings would be achieved because the corporation would not have to mail additional reminder notices or termination notices to families.

The KidCare appropriation for Fiscal Year 2004-05 provides sufficient funding to maintain enrollees who would have otherwise been terminated from the program because of insufficient documentation.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This legislation does not require counties or municipalities to spend funds or to take action requiring the expenditure of funds. The legislation does not reduce the percentage of a state tax shared with counties or municipalities. Finally, the legislation does not reduce the authority that municipalities have to raise revenues.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Section 409.818, Florida Statutes, grants the Department of Children and Family Services the authority to adopt rules necessary for conducting program eligibility functions.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES